

CONCEPT ANALYSIS AND EVALUATION FOR A NEW PRODUCT

Case: One EYE

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ABSTRACT

This thesis evaluates and analyses the product concept One EYE. It is a product that combines ski goggles and camera technology into one, with the camera implemented in the goggles themselves. It is a completely new product concept and there are no identical products to it in the market. The overall quality of the product concept must be evaluated, to determine whether it should move to development stage.

One EYE is entering to action sports market, an industry that is on the uprise. One EYE answers the main need for many consumers in the target audience, combining safety and the ability to record experiences into one affordable package, creating value for money.

This thesis used deductive approach and the research method is qualitative. Data was collected from both primary and secondary sources. This approach and method were best suited to answering the research question.

Main findings of the thesis indicate that One EYE has generated good reviews from both consumers and experts, generating optimism for the concept especially since it is entering a booming market. However, the concept has significant flaws, especially the lack of versatility, that ultimately make it a "high risk-high reward" concept.

Key words: One EYE, business idea, new product development, product concept, concept analysis, action sports, camera technology, goggles, safety equipment, mobile application, starting a business

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TIIVISTELMÄ

Tämä opinnäytetyö arvioi sekä analysoi One EYE-nimistä tuotekonseptia. Kyseessä on tuote, joka yhdistää laskettelulasit sekä kamerateknologian: suojalasit joiden sisään on rakennettu kamera. One EYE on täysin uusi tuotekonsepti eikä vastaavaa tuotetta löydy markkinoilta. Tuotekonseptin laatua on arvioitava sekä analysoida jotta saadaan selville, onko tuotekonsepti niin laadukas että se voi edetä kehitysvaiheeseen.

One EYE tulee kilpailemaan olevalle extreme-urheilumarkkinoilla. Tämä markkina-alue on tällä hetkellä kovassa nosteessa. One EYE vastaa moniin kohdeyleisön tarpeisiin, tarjoamalla turvallisuutta sekä videotallennusmahdollisuuksia yhdessä paketissa, luoden vastinetta rahalle.

Tässä opinnäytetyössä käytetään deduktiivista lähestymistapaa ja tutkimustapa on kvalitatiivinen. Tietoa kerättiin sekä primääri- että sekundäärilähteistä. Nämä lähestymis- ja tutkimustavat soveltuivat parhaiten tutkimuskysymyksen vastaamiseen.

Opinnäytetyön päähavainnot osoittavat että One EYE on herättänyt kiinnostusta sekä asiakkailta että ammattilaisilta, louden optimismia konseptille, vielä eritoten koska One EYE kilpailee nousussa olevalla alalla. Kuitenkin, konseptin muutamien suurien heikkouksien takia, esimerkiksi sen vähäinen monipuolisuus, konsepti on luokiteltava kategoriaan "suuri riski – suuri palkinto".

Asiasanat: One EYE, liikeidea, uuden tuotteen kehitys, tuotekonsepti, konseptin analysointi, extreme-urheilu, kamerateknologia, lasit, turvallisuusvarusteet, mobiilisovellus, yrityksen aloittaminen

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1 INTRODUCTION

This chapter introduces the reader to the thesis and its background, while also explaining the methods used to complete the research. An overview of the objectives of the research and the data collection methods are explained, along with the research questions and their presentation.

1.1 Research Background

Alongside the increasing popularity of social media, sharing experiences with videos and pictures is more popular than ever. No longer do consumers need to only hear about the places their friends have gone: it is extremely easy to share these experiences with everyone, even if they are located on the other side of the world.

One of the reasons that social media has been successful has been that the quality of cameras and lenses, whether they be for picture or video purposes, has never been better, allowing our pictures and videos to be good enough to be truly enjoyable. It was not too long ago that we had to go to specialized stores to develop our pictures to view them and even then, the quality of the images was not nowhere near what it is today. Nowadays, smartphones have allowed us to capture moments instantly with terrific quality and share it immediately with our friends.

This technical development has been particularly great for people involved in action sports, such as downhill skiing and snowboarding. Small, compact camera technology allows us to join the trip, experiencing moments that not many even dare to try. This has allowed action sports to explode in terms of popularity and it has inspired many young people to pick up these sports.

Still, even if the technology is already great, there are still products that the action sports industry is missing. During the Entrepreneurship course of Lahti University of Applied Sciences, the researcher alongside three other students developed a concept for a product that combines practical safety

equipment with high definition camera technology: One EYE, ski goggles that has an integrated camera in the mask itself.

After gaining a deeper understanding entrepreneurship and product development, the objective is to find out whether One EYE is viable enough as a concept to be pushed into development. The purpose of this thesis is to analyse the market, competitors and the product itself, combining it with insight from consumers and professionals alike. This is the main objective of this thesis.

1.2 Thesis objectives, Research Questions and Limitations.

The aim of this thesis is to determine whether One EYE is something that should be taken from paper into practise. The result of this thesis is to combine theoretical and empirical parts of this thesis to answer this question. This research will also create a more detailed analysis of both the product and the market, analysing them in a detailed manner.

Defining a research question is vital part when planning a research. The purpose of a research question is to define the target to the thesis and showcasing the reader what questions the researcher is trying to answer. The main goal of the research question is to answer to a research problem. A good research question should be easily answered, relevant to the reseach and presice. The research question for this research is:

- Is One EYE as a concept good enough to be moved from paper into development and prototype stage?

As the research is usually difficult to answer at once, a researcher can come up with sub-questions that allows for more in depth answers that support the main research answer. The sub-questions in this research are:

- Is it there a need for One EYE?
- How can One EYE differentiate from competitors?
- What is the most effective way to launch the product in order to penetrate the market?

As with every with every thesis, there are certain limitations and issues that need to be taken into consideration. Biggest limitation is that the reseach is done for One EYE, making it useful for only this product. However, this thesis will cover many overlapping points of entreprenoursip and product launching, providing valid information at this level to most every start-up company possible.

1.3 Theoretical Framework

The main goal of this thesis is to determine whether moving One EYE past concept phase is advisable. The theories of entrepreneurship and product development are included in this thesis to allow the reader to be familiar with both concepts.

Afterwards, one of the main parts of this thesis is the analysis of the market and the product itself, with clear explanations of the concept and how it can match up with existing competitors. These are introduced in chapters 3 and 4.

The second-to-last chapter is dedicated to creating a launch plan that most effective for One EYE, based on the research done in previous chapter. The final chapter will conclude the thesis and provide clear answers to the thesis questions.

1.4 Research Methodology and Data Collection

One of the first steps when conducting a research is to determine which of the many research approaches are to be used in the research. The research approaches are generally divided into two options: deductive and inductive reasoning. Deductive reasoning starts the research “top-down”, meaning that the researcher starts the study with a general knowledge following with more detailed information of the actual matter. The inductive reasoning starts with the other way around, focusing first on the topic and developing the research into a more general theory at the end.

Afterwards, when the general concept of the research is clear to the researcher, the choice of data collection method and research methodology to use is next. The researcher should choose a methodology that will best suit his or her project and meet the goals of the research. In this research, only the core concepts of the two most common research methods are introduced: qualitative and quantitative research methods.

Quantitative Research is used to quantify the problem by way of generating numerical data or data that can be transformed into useable statistics. It is used to quantify attitudes, opinions, behaviors, and other defined variables – and generalize results from a larger sample population. Quantitative Research uses measurable data to formulate facts and uncover patterns in research. Quantitative data collection methods are much more structured than Qualitative data collection methods. Quantitative data collection methods include various forms of surveys – online surveys, paper surveys, mobile surveys and kiosk surveys, face-to-face interviews, telephone interviews, longitudinal studies, website interceptors, online polls, and systematic observations. (Wyse, 2011)

The other research method, qualitative research method, is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions, and motivations. It provides insights into the problem or helps to develop ideas or hypotheses for potential quantitative research. Qualitative Research is also used to uncover trends in thought and opinions, and dive deeper into the problem. Qualitative data collection methods vary using unstructured or semi-structured techniques. Some common methods include focus groups (group discussions), individual interviews, and participation/observations. The sample size is typically small, and respondents are selected to fulfill a given quota. Since this thesis is based on a product concept developed by the researcher and analysis of theory and market situation is a key part in the work, a qualitative research method is chosen for this thesis. (Wyse, 2011)

Once the research method is chosen, it is time to start collecting data. Data refers to information that is collected for the purposes of the

research. The data will help the researcher to conduct the study and to build a clear picture of the matter being studied. The primary data for this thesis was collected via online surveys and databases that provided terrific insight from both consumers and experts.

Secondary data was collected from literature, Internet and articles.

1.5 Thesis Structure

The thesis can be divided into two main parts: theoretical and empirical part. The first chapter is dedicated on presenting theory on the core concepts of entrepreneurship and product development. Afterwards, the following chapters will use these parts to support empirical findings. Last part of the research includes a prototype launch plan for the product in question. Final chapter will summarize the research.

2 THEORY ON ENTREPRENEURSHIP AND NPD

In this chapter the reader is introduced to some of the basic concepts of both entrepreneurship and new product development. New product development focuses on the BAH model and the stages in it that are relevant for this thesis

2.1 Defining entrepreneurship

There are numerous ways of defining entrepreneurship. A synthesis definition has been offered by Gries and Naudé (2010) that combines behavioural and occupational views. As such, this definition reflects some of the evolution in the way scholars view entrepreneurship. They have defined entrepreneurship as “the resource, process and state of being through and in which individuals utilize positive opportunities in the market by creating and growing new business firms.”

The more old-fashioned way to view entrepreneurship is limited to innovation and new business creation. However, nowadays it is viewed more broadly, as it gives a good reflection to many institutional characteristics within a society. Entrepreneurship is not only concerned with business success, as measured by profits, but also with subjective welfare and non-economic wellbeing. As such, entrepreneurship is a catalyst for structural change and institutional evolution.

2.2 Concepts of entrepreneurship

Probably the best-known concept of entrepreneurship in economics is Joseph Schumpeter’s idea of the entrepreneur as innovator. Schumpeter’s entrepreneur introduces “new combinations”— new products, production methods, markets, sources of supply, or industrial combinations — creating havoc in the market that Schumpeter termed “creative

destruction.” The entrepreneur-innovator is introduced in Schumpeter’s ground-breaking Theory of Economic Development (1912) and developed further in his two-volume work, Business Cycles (1939). In essence, Schumpeter gave the entrepreneur a role as the source of economic change.

Schumpeter carefully distinguished the entrepreneur from the capitalist. His version of an entrepreneur need not own any capital, or even work in a company at all. While the entrepreneur could be a manager or owner of a company, he/she is more likely to be an independent contractor or craftsman. In Schumpeter’s conception, “... people act as entrepreneurs only when they actually carry out new combinations, and lose the character of entrepreneurs as soon as they have built up their business, after which they settle down to running it as other people run their businesses” (Ekelund & Hébert, 1990).

This suggests a rather tenuous relationship between the entrepreneur and the company he owns, works for, or contracts with. Entrepreneurship is exercised within the company when it introduces new products, processes, or strategies, but not otherwise. The day-to-day operations of the company need not involve entrepreneurship at all. Moreover, because Schumpeterian entrepreneurship is independent of its environment, the nature and structure of the company does not affect the level of entrepreneurship. Corporate R&D budgets, along with organizational structures that encourage managerial commitment to innovation have little to do with Schumpeterian entrepreneurship per se (Foss & Klein, 2012).

2.3 Defining new product development

The new product development (NPD) as a whole consists of the activities carried out by companies when developing and launching new products. A new product that is introduced to the market evolves over a sequence of stages, beginning with an initial product concept or idea

that is evaluated, developed, tested and launched onto the market (Booz, Allen & Hamilton, 1982). These activities can be viewed as stages of information gathering and concept evaluation. As a result, as the new product evolves, managers within the company become increasingly more knowledgeable (or less uncertain) about the product and can continuously re-evaluate the product development and potential launch. This process of information gathering and evaluation oftentimes leads to improved new product decisions on the part of companies by limiting the level of risk and minimizing the resources committed to products that eventually fail. The NPD process differs from industry to industry and from company to company. As such, it should always be adapted to meet the requirements and resources of the company in question (Booz, Allen & Hamilton, 1982).

2.4 Concepts of new product development

NPD plays a key role of introducing new products on the market for continuing business success. Its contribution to the growth of the companies, its influence on profit performance, and its role as a key factor in business planning have been well documented. In addition, new products are responsible for employment, economic growth, technological progress, and high standards of living.

In the last few decades, the number of new product introductions overall across all markets has increased dramatically as the industry became more aware of the importance of new products to business.

Correspondingly, managing the NPD process has become a major challenge to many companies, as it often requires a substantial financial and human resources investment. NPD processes are also quite time-consuming. The harsh reality is that the majority of new products never make it to markets and those that do face a failure rate somewhere in the range of 25 to 45 percent (Cooper, 2001). For roughly every seven new product ideas, about four enter development stage, one and a half are

launched on to the markets, and only one succeeds (Booz, Allen & Hamilton, 1982). Despite the extensive research on how to achieve success in NPD, companies continue to deliver products that end up failing and therefore NPD ranks among the riskiest and most confusing tasks for most companies. As the number of euros invested in NPD goes up, the pressure to maximize the return on those investments also goes up, which can also lead to crucial mistakes.

While there have been a few NPD models and frameworks developed over the years, the best known is the Booz, Allen & Hamilton model, also known as BAH model (Figure 1).

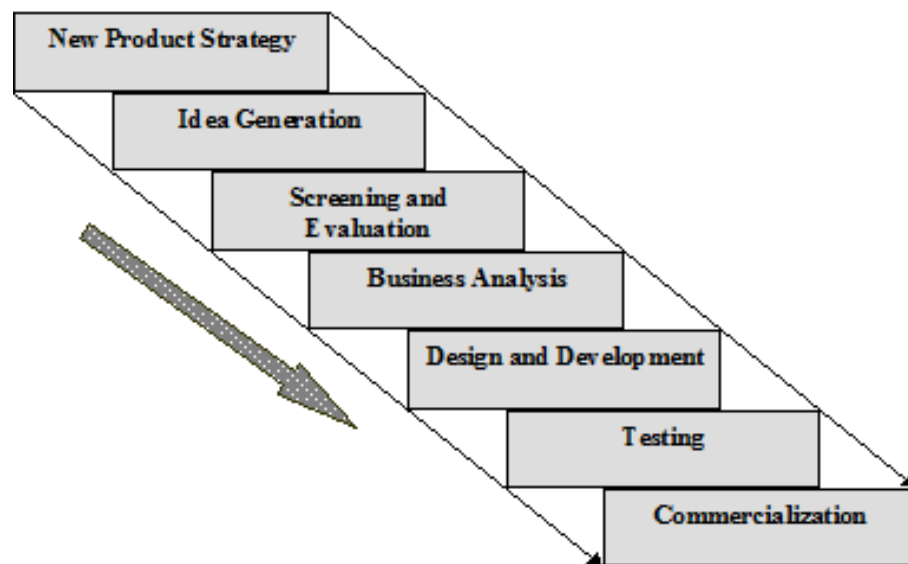


Figure 1. Stages of New Product Development (NPD) (Booz, Allen & Hamilton, 1982)

The stages of the model are as follows:

- **New Product Strategy:** Gives the NPD process a starting point, which can include company objectives and expectations, in addition to financial requirements.
- **Idea generation:** Searches for product ideas that meet company objectives.

- Screening: Initial analysis to determine which ideas require extensive studying or those that show potential
- Business Analysis: Further evaluates the ideas on the basis of quantitative factors, such as profits and Return - on - investment (ROI)
- Development: The idea is developed into an actual product that can be showcased and produced.
- Testing: Various commercial experiments are conducted to verify earlier idea and business decisions.
- Commercialization: Product launched to markets.

Booz, Allen and Hamilton (1982) found that companies that have successfully launched new products are more likely to have some kind of formal NPD process and that they generally pass through all of the above stages.

2.5 BAH Model analysis

As this thesis analyses the One EYE during its current phase (after Idea Generation) this sub-chapter will explain the relevant stages of BAH model to this research and that are necessary for answering the research questions: Screening and Evaluation, Business Analysis and, to a limited extent, Development.

2.5.1 Screening and Analysis

While the screening and business analysis are showcased as two different phases in the BAH model shown previously, these two phases can be

combined in order to simplify the model. In the screening stage, initial analysis is done based on the new product strategy, resources and competitors, while in the business analysis stage, ideas are often evaluated using quantitative performance criteria, for example numerical data. After gathering enough new product ideas through various sources from the idea generation stage, the best ideas are selected based on added business value. Making a good selection here is critical to the future health and success of the business in question. In almost all cases, development costs rise substantially with each successive stage in the NPD process (Booz, Allen & Hamilton, 1982).

After screening, the business analysis is the detailed investigation stage that clearly defines the product and verifies the attractiveness of the project prior to heavy financial commitment. In every successive stage of the NPD process, as estimates become more refined and accurate, companies must continue conducting financial evaluation throughout the NPD process, but at this stage it is absolutely critical. A review of costs, potential sales and profit projections of the new product are undertaken in order to determine whether these factors satisfy the company's objectives or not. If the estimated result from this stage shows that the product meets the objectives, then the new product concept can safely move to the development stage. Due to the lack of high quality financial references available for the researcher, detailed financial data is excluded from this thesis. These are also not overly relevant, as the thesis has the main goal of concept evaluation and not detailed financial planning. Therefore, financial data is not needed in order to answer the research question (Booz, Allen & Hamilton, 1982).

The final component of the business analysis stage is the action plan. A detailed plan of action is created for the next stage and also tentative plans are developed for all subsequent stages. This critical stage opens the door to a significant commitment of resources and to a full-fledged development program based on financial analysis, effectively beginning

the phase of turning a promising idea into an actual physical product (Booz, Allen & Hamilton, 1982).

2.5.2 Development

Once the results of the business case of the new product meet the objectives of the company, the new product team can move on to the development stage, which is made up of activities that can include prototype development, volume ramp up and test marketing. The interaction between the program and project manager is no longer one of selling or buying the concept, but rather one of bringing the product to market on time, within budget, and to the required specifications. A critical success factor at this stage is to move through development to launch as quickly as possible and to be absolutely sure that the product prototype or final design does indeed meet consumer expectations while also keeping up with required and promised specifications. Thus, this requires seeking consumer input and feedback throughout the entire development stage (Booz, Allen & Hamilton, 1982).

It is important to gain competitive advantage in the market and to enjoy the product's revenues as soon as possible and it also minimizes the impact of a changing environment, which can be a real issue in tech-based industries. Consumer input and feedback is a critical activity throughout development, both to ensure that the product is right and also to speed development toward a correctly defined target (Booz, Allen & Hamilton, 1982).

3 INTRODUCING ONE EYE

This chapter will introduce the reader to the product that is in the center of this thesis, One EYE. Additionally, key aspects of differentiation and target audience are explained in this chapter and a SWOT analysis is conducted for the product itself.

3.1 Explaining One Eye

One Eye is a standard edition ski protection goggles with a built-in HD camera integrated to the upper middle part of the frame of the goggles. The goggles are paired with One EYE app for smartphones that allows you to connect the camera in the goggles to the phone of the user using Bluetooth. Users can only start and stop filming by using their phone, there is just a single button in the frame to turn the device on or off. The goal with this is to reduce the weight of the mask to improve comfort to the wearer. All videos and pictures are saved directly on the phone, there isn't an additional memory card on the mask frame because weight must be kept to a minimum. A standard issue micro-USB port is included in the goggles to allow for charging the battery for the camera.

Users can control the camera with their smartphone. The companion app is free of charge. With the application, users can start and stop filming, choose the mode (video or picture), share their videos on different social networks (Instagram, Facebook, YouTube, Twitter...). They can also modify and cut the video, add some filters, and combine several videos to make a short film. All the videos and pictures are saved on the phone.

3.2 Are consumers interested in One EYE?

Plenty of overall optimism on the product was given when One EYE was presented as a concept at a website called Dynastart, an online community for students and teachers from various universities across Finland for sharing and evaluating business concepts. The concept was evaluated by community members by a simple, yet effective "thumbs-up"

or “thumbs-down” mechanic. Online links to Dynastart and to One EYE’s page, plus the “sales pitch” of One EYE at Dynastart are included at the end of this thesis (Appendix 1 & 2).

A grand total of 104 users gave a score to the product using the method mentioned in the previous sub-chapter. A total of 76 users gave the concept a “thumbs-up” and 28 users gave the concept a “thumbs-down”. This divides the numbers at 73 percent for like ratings and 27 percent for don’t like ratings, respectively. It is important to take into consideration that most likely a high number of reviewers where Finnish (this is impossible prove with numbers, as reviewers where given anonymously) and Finns are one the most active extreme sports participants in the world (1,2 million participants in downhill skiing, Vanat, 2016). This means that there is a mathematical possibility that roughly 1 in 5 participants on the review where part of the target customer group, as the population of Finland roughly 5,5 million. This creates much needed validity that there is interest in the product from the consumer front, even from people that don’t necessarily belong in the target audience. Target audience is more clearly defined in chapter 3.4 and its sub-chapters.

Users can also review ideas in Dynastart at a more detailed level. There are four categories on the idea page, (innovativeness of the idea, implementation from idea to reality, attractiveness and sales mentality) where users can give a score between one and five in all of the four categories. This comes to a total maximum score of 20 points. One EYE has gotten a full five star review in all of the categories, although it must be noted that only one person has given this review, making it not reliable as there are not enough in-depth reviews.

In total, Dynastart has 956 business ideas in its database, presented in both Finnish and English. A good way of ranking these businesses from best to worst is what will be dubbed “combined score”. This score is a result of the following mathematical equation: Total number of likes minus total number of dislikes plus the total star value from the in-depth review system. For One EYE, this is $76 - 28 + 20$, giving One EYE a combined

score of 68. Interestingly, this is the fourth highest rated combined score in the Dynastart database. Also, it is the highest rated “sports” category product on the database and the highest rated product idea, as the three ideas ahead of One EYE were presented as business concepts, whereas One EYE was presented as a product to users. While the additional 20 points for One EYE from the in-depth review system can be called into question since 20 points come from a single reviewer, a good number of business ideas also have similarly high scores in these categories, given that the uploaders of the business ideas would logically give their ideas the highest score possible. In the end, if the product would not be interesting to consumers, it would not have gotten the 76 positive reviews in the first place, making that a much more important score.

In addition, Dynastart organises a competition every year called Sense, where 11 best concepts from Universities of Lahti, Häme and Laurea are chosen by a panel of professors in business from all of the universities listed previously. One EYE was one of the concepts chosen in the year 2015, out of hundreds of business concepts. This proves that professors from various universities believed in the concept enough to invite the 4 students to the finals to further develop the concept and spend their time to help it and to provide advice. Unfortunately, none of the members of the group were able to attend the event due to various personal and professional reasons.

References to Dynastart databases are included in Appendix 2.

3.3 Differentiation from competitors

This product answers to the need for customers to film themselves while practising action sports where there is a need for protective eye-wear, while also providing the ability to film and share experiences.

One EYE answers to a market need because the product mixes two technologies to innovatively create a new product. This product adds value

to the market due to its answer to the need to film action during sports without additional equipment.

While there are some products in this field (most notably GoPro), there are no protective gear that includes camera technology, at least no products aimed directly for action sports participants.

The companion app adds additional market value. The free nature of the app and its multiple features allow for ease of use, while not needing any additional items than the goggles and the smartphone to create high quality content for yourself and others.

3.4 Defining target audience

In any business it is extremely important to be able to communicate and tell your messages to consumers in a persuasive method. Companies therefore need to be able to adapt to their target audiences' needs, wants and values (Kotler and Keller, 2009). In order for companies to achieve this is to ask themselves questions like; who are our customers? What do they buy? Where can they be found? As it is impossible for companies to reach out to all customers in large, broad, or diverse markets, it is important to divide the customers into groups or segment(s), from where the company can choose which group they wish to target with the specific product or concept (Kotler & Keller, 2009). While there are plenty of ways to segment the groups, this thesis includes the three main market segmentation categories: demographic, geographic and psychographic segmentation.

3.4.1 Demographic segmentation

The demographic segmentation divides customers into segments based on demographic values such as age, gender, family size, family life cycle, income, occupation, education, religion, race, generation, social class and nationality (Keller & Kotler, 2009).

The most important values for One Eye within these sub-categories are age, income and generation. Due to the "extreme" nature of action sports, most active participants fall between the age of 16-40, as many sports are often physically demanding on some level. Income plays a fact as well, with many extreme sports requiring plenty of equipment to participate in, not to mention potential travel costs to locations where activities take place. Finally, the app and its purpose to promote social media activities limit the range of users to people who are at least semi-active users of various social media platforms. For the sake of simplicity, a target customer could potentially be a 25 year old male from a high income who also likes to share his experiences across social media.

3.4.2 Geographical segmentation

The geographic segmentation divides customers into segments based on geographical areas such as nations, states, regions, counties, cities or neighbourhoods. Companies often target different areas simultaneously, with different strategies for each region as well.

While the company would be based in Finland, it would not be advisable to only focus on local markets only, even at first. This is due to the fact that the market size in Finland is not big enough to allow for a profitable running of the company when compared to the initial financial investment (based on estimates made by the researcher himself). There are simply not enough customers who fit the target audience to allow this.

Therefore, geographical segmentation will not play a major part when defining the target audience for One EYE. With globalization and internet, it is possible to reach potential customers from all over the world right of the bat, if the initial marketing strategy and launch is successful.

3.4.3 Psychographic analysis

The psychological variables derive from two principal types of customer; personality profiles and lifestyle profiles (psychographics). Psychological profiles is of then used in addition to geographic and demographic profiling, especially when these does not provide a sufficient view of the consumer behaviour. While the traditional geographical and demographical bases (sex, age, income etc.) provide the marketer with accessibility to customer segments, the psychological variables provide additional information about these and enhance the understanding of the behaviour of present and potential target. Psychographic segmentation therefore divides people according to their attitudes, values, lifestyles, interests and opinions. (Kotler & Keller, 2009)

Again, the product is very much a specialty product directed to people who are interested on action sports. The product has quite limited uses to people who do not have any interest in action sports and do not require protective eyewear when participating in them.

3.5. SWOT Analysis of One EYE

When you have a big business decision to make, one of the smartest things you can do during the planning process is conduct a SWOT analysis.

SWOT, which stands for strengths, weaknesses, opportunities and threats, is an analytical framework that can help a company get an overview of the product or business and to find its most promising new markets. The method was created in the 1960s by business gurus Edmund P. Learned, C. Roland Christensen, Kenneth Andrews and William D. Book in their book "Business Policy, Text and Cases".

In a business context, the SWOT analysis enables organizations to identify both internal and external influences. SWOT's primary objective is to help organizations develop a full awareness of all the factors involved in a decision.

In this case, a SWOT analysis is made to One Eye as a product, including the companion app. The SWOT table can be found in Appendix 3.

3.5.1 Strengths

The One Eye is a completely new product, meaning it is not an improvement of an existing product. Rather, it is a brand new concept that no competitors make.

Due to its simplistic design using tried and true manufacturing traits, it is extremely comfortable to wear, even so that you cannot notice the difference between it and a regular pair of ski goggles.

The companion app is free, which promotes users to create more content and share them, increasing and expanding the One EYE community.

The researcher and his associates have extensive experience in mobile software development. This ensures the functionality of the app and guaranteeing its quality.

3.5.2 Weaknesses

One EYE is not a versatile product like many of its main competitors; it is a single function camera with only a single angle available to the user.

The video quality cannot match the extreme high quality of the competitors. This is a byproduct for making the camera fit into the ski goggles. In this instance, one could say that it is functionality over pure image quality.

The market is dominated by GoPro, making penetrating the market somewhat challenging.

3.5.3 Opportunities

The extreme sports market is estimated to grow rapidly over the next decade, with action camera sales projected to grow 50 per cent annually until 2020. (Raw Agency, 2015). One EYE would be entering into a market

that is projected to see increased growth, despite the overall economic climate.

The technology of integrated cameras can be applied to other pieces of clothing or protective gear as well; jackets, helmets, snowboards, etc. Possibilities are endless if the initial launch is successful.

Expansion of the companion can increase the added value to the consumer and possibly a premium app is launched as well, where consumers must pay for additional features.

3.5.4 Threats

The very singular feature of the One EYE poses a substantial risk for the company if the launch is not successful, compromising the financial stability of the company if the product is not popular with users.

New and ever-developing technology can compromise the action camera market as a whole or it can shift it in unexpected ways.

The small amount of active participants in action sports today makes the market somewhat small in terms of raw numbers and if the growth is not what many experts are expecting, it can pose a huge threat for the company.

4 ANALYZING THE MARKET

In this chapter the reader is introduced to the extreme sports market today. In addition, future prospects of the industry are covered, plus an overview of the competitors and what has made them successful.

4.1 Action sports market today

What started as a niche activity defined by rebellious youth, especially in the United States, performing dangerous stunts, action sports have now been widely accepted and they play a part in many Western societies. These days millions of people from all over the world participate in various activities that can be categorised as action sports like skateboarding, BMX riding, surfing, and snowboarding.

As mentioned briefly, even as recently as 15 years ago action sports had little to no presence on the world stage. Participants were often categorised as misfits by media due to their risky stunts that sometimes even broke local laws. That perception began to change in mid 1990s as the youth of America became enchanted with these counter-culture, non-traditional sports and the daring enthusiasts that participated in them. Continuously pushed forward by people trying to do the impossible, action sports culture is now a mainstream lifestyle that heavily influences huge amounts of consumer spending.

Today advertisers are using action sports as an effective way to keep their brands “cool” in the minds of youth all over the world. Many consumers in action sports tend to be weary of traditional media, as the “counter-culture” mentality is still somewhat present today. This was forced companies to use innovative techniques to reach consumers. Action sports participants are strong influencers within the 12- to 28-year-old demographic, who are also internet savvy. This is because plenty of participants upload videos and pictures to social media where they showcase various action sports that are easily found by the tech-savvy

youth of today. In terms of companies, brands like Mountain Dew, Red Bull, Toyota, and Right Guard are examples of the wide array of industries that are making huge investments in order to reach the action sports audience.

An interesting note is that many companies and their products indirectly affect the action sports market. As mentioned briefly earlier, for many of these athletes doing sports like snowboarding, skydiving or base jumping, the goal is capture stunning (and often dangerous) exploits to various social media platforms, where they then spread all over the world. As such, one could argue that extreme sports are highly dependant on social media for visibility and furthermore, they might not even be where they are today without the likes of Facebook's subsidiary Instagram and Yahoo's subsidiary Flickr. Thus indirectly, social media has a huge part to play on the trends of extreme sports today and in the future.

4.2 Where does One EYE fit in?

Consumers within the action sports umbrella participate in many different activities. These include for example snowboarding, downhill skiing, skydiving, base jumping and free climbing, among others. As not all action sports require a use of safety goggles, sports such as free climbing are not within the target of One EYE. In this way, One EYE is most useful for snowboarders for example, a sport that requires protective eyewear.

4.3 Future development of action sports market

Professional experts from an American sports hospitality company Delaware North have estimated by 2020, extreme sports will challenge professional team sports for the title of most-watched category of sports content. With 100 hours of GoPro video currently being uploaded to YouTube every minute of every day (YouTube, 2014), and sales of action cameras growing nearly 50 percent annually and projected to hit 9 million

in 2018, the juggernaut called action sports seems to be on the verge of exploding (Raw Agency, 2015).

Fueled by easy recording and upload technology like GoPro — paired with YouTube and over-the-top broadcasters — interest, participation, and performance levels in action sports are soaring. To be fair, today they are but a small dot compared to worldwide professional sports like football but participation in action and adventure sports has surpassed conventional sports at the recreational level, with seeking more memorable experiences that traditional sports cannot offer.

It's not only YouTube videos that are driving action sports ahead. Many technology products are also pushing consumers to participate in action sports in a more subtle manner. Devices like running watches encourage people to outdo themselves in sports, providing a feedback loop that can motivate a consumer to go from casual joggs to skiing and eventually, downhill skiing.

The industry is evolving at a record pace and there is no doubt that new sports will emerge. Who knows, maybe 15 years, sports like snowboarding will look as old-fashioned hopscotch. Further advances in exoskeletons, prosthetics, and, yes, possibly eve jet packs could push action sports even further ahead in a short period of time.

4.4 Competitive analysis

For many reasons, it is extremely important to know your competition in the market. While the easy answer is that it allows you to get to know the competitors but it is much more than that. What are the competition's weaknesses? Are some customer groups in the market whose requirements are not met by competitors? What can you offer that others can't? These are few examples of questions that a good competitive analysis can answer.

Competitors for One EYE are in the action camera industry, a business field that is closely tied to many extreme sports. Common goals of all business in this field is the effort on creating durable, wearable cameras that are often also versatile, being appropriate to many situations.

The action camera market is dominated by American company GoPro, with an estimated market share of 47.50 percent, followed by ION, Sony and Polaroid at 12 percent, 8 percent and 1 percent, respectively. Technology wise, GoPro has set a bar of features that competitors must match since GoPro is essentially the industry standard nowadays. Cameras manufactured by GoPro are lightweight, extremely durable and they can be attached to anything, basically, making them ideal for filming action sports. As GoPro is so much far ahead of its competitors, the competitive analysis will focus on them.

Still, GoPro did not achieve a market leadership position by being an innovator, technology wise at least. Bigger, more diverse electronics companies such as Sony and Canon had already created durable cameras years before GoPro exploded. So, one should ask: Why is GoPro so popular then?

Well, as can be imagined, the reason is not any otherworldly camera technology. Add that to the fact that electronics industry in general is dominated by companies that produces many different products on many different fields, it has become incredibly risky to launch tech companies that are essentially reliant on single industries or features.

All of that makes GoPro, which raised \$427 million dollars at a valuation of \$2.96 billion dollars in its initial public offering (IPO), unique. After all, it was just a few years ago that the Flip Video camera, another single feature camera that dominated the camcorder industry, was rendered completely useless as smartphones started to include high quality cameras as well. Even as the Flip floundered, however, GoPro, which sold its first camera in 2004, flourished. What separates GoPro from Flip is that all along, GoPro has sold consumers not on the camera, itself, but on something that an

item such as a smartphone can't easily replace: the experience and memories that are made possible with the camera.

GoPro doesn't just sell a video camera, they sell the memory of diving through clouds or the snowboarding down a side of a mountain. Analysts from an American research company NPD Group believe that we are entering an age where lifestyle in technology is becoming very important. Similar marketing strategies are used in other fields by companies like Beats and FitBit. The products say something about the person who uses them. If you see someone on the street with a GoPro strapped on his or her chest, it is a signal that the person is about to do something awesome and worthy of filming or witnessing.

To be sure, GoPro owes a lot to its very loyal customers that have done their own share of marketing on the company's behalf. GoPro users have flooded the Internet with videos of their own adventures, many through various social media channels mentioned earlier in this thesis. In 2013 alone, GoPro customers uploaded 2.8-years worth of video featuring GoPro in the title, according to the company's S-1 filing. In the first quarter of 2014, people watched over 50 million hours of videos with GoPro somewhere in the title, filename, tag, or description (YouTube, 2014). Each video not only serves as a customer testimonial, but as guerrilla advertising, together giving potential consumers millions of reasons why they should buy one of GoPro's sleek little cameras. And so, even though GoPro only sells cameras (and accessories and mounts for cameras), the name GoPro itself is more associated as an action sports brands than as a camera manufacturer. In addition, GoPro's are used in other industries as well, such as television or film as well, due to its versatility as a product.

Through the methods mentioned in previous chapters, GoPro achieved something truly remarkable: becoming an incredibly successful company with essentially one product in a single market. It is a true testament on the importance of reaching customers and conveying your message to them. This should also be a vital aspect for the marketing and promotion strategy for One EYE as well. Not simply selling protective gear or camera

technology but also experiences and memories. This is also one of the main reasons why the product and the app are kept as clean as possible, not to allow struggles with complicated tech to hinder amazing moments.

5 LAUNCH PLAN

In this chapter the reader is introduced to a potential launch plan for One Eye, should it be moved past development stage. The launch plan created is based on theory to provide a “best-case scenario” launch for the product.

5.1 Goals for the first year

Since One EYE is a start-up company, the main goal is to at least cover the expenses the first year, in other words, break even. As the initial budget is not expected to be too big, it is paramount that initial operations and marketing are as efficient as possible, while also keeping expenses down. The initial goal is to reach a market share of 2 percent within one year from the launch of One EYE. This number has been reached due to the dominance of GoPro, limiting success especially early to new entrants and the overall small market where One EYE enters, where differences between consumers in the market are not too big in terms of lifestyle and values. As briefly mentioned earlier in the thesis, there currently isn't enough quality financial data to add to the thesis. As these figures would be no more than educated guesses, they are excluded from the thesis and from the launch plan.

5.2 Marketing strategy

Much of the early success for One Eye relies on the marketing strategy. As was explained in chapter 4, a good marketing campaign where the message is clearly delivered can do the sales work for you, as it did for GoPro.

The overall marketing strategy is presented via Marketing Mix, or the 4 P Marketing Mix, which was created by E. Jerome McCarthy in 1960. The 4 P model is presented in Appendix 4. It provides a good overview to the theoretical launch strategy as a whole.

5.2.1 Product

As mentioned earlier, One EYE will provide consumers in the target audience a great way of combining both safety and camera equipment. Combining two separate products into one, One EYE allows for filming one's experiences in high quality, while providing vital safety to eyes. This combined with a competitive price and the companion app creates terrific value-for-money for any consumer.

5.2.2 Price

It is important for the product to show good value-for-money to the customer. This does not mean that One EYE must be the cheapest on the market. Often, customers are willing to pay a little bit more if they believe if the product meets their need perfectly.

As One EYE is currently in concept phase, it is difficult to provide a proper selling price based on numerical data, for example accurate manufacturing costs are not available. However, the researcher of this thesis has estimated that the unit price is between 250 and 300 euros. The app is free of charge initially at launch.

5.2.3 Place

As has been explained in previous chapters of this thesis, most of the target audience is in the Western countries both in Europe and in North America. More so, no single country or location has a concentration of consumer belonging in the target audience group. The closest possible countries are the countries in Northern Europe (Finland, Sweden) and Central Europe (Switzerland, Austria) as both regions enjoy cold winters and many people go to ski-trips in these regions. However, the most effective way to get the product to as many consumers as possible is via a web-shop. This allows for the product to be spread everywhere from the get-go. In addition, the researcher has experience running a web-shop based business, making it a logical choice as the primary distribution

channel for One EYE.

The companion app will be available for iOS and Android smartphone devices.

5.2.4 Promotion

It is fair to say that promotion of One EYE is one of the most important, if not the most important part of the launch plan. As has been mentioned earlier in the thesis, the market is absolutely dominated by GoPro. This means that the message of One EYE must be effectively delivered to the consumers, if One EYE is to have any real chance to get a foothold in the market.

One EYE will have a strong presence on the internet: whether it be Facebook, Twitter, Pinterest, Instagram, YouTube, or blogs. The goal is to build a community of people who enjoys sharing their videos with the rest of the world. A community of people who are passionate about outdoors, action sports, skiing, snowboarding, rock climbing, biking, scuba diving, sky diving, but also those who just want to view and experience these videos online, they are all going to enjoy the product. As briefly mentioned earlier, the age range for the target group can be quite wide, but the main focus would be on the younger generations (ages 16-35).

Using social media enables the company to get a better understanding on the people that are interested in the product, even though there is a target audience group already. Social media can very clearly show the company what kind of people are interested in One EYE.

Reaching out to bloggers and sport enthusiasts who have a strong presence on social media is also a potential strategy in order to get people informed on One EYE. If, for example, a blogger writes about the product on his/her blog, all of the followers will get to know about the product as well.

6 CONCLUSION

This chapter will conclude the thesis, providing answers to the research questions. The reliability and validity of the thesis are looked into as well and the thesis is closed with a summary sub-chapter.

6.1 Answers for the research questions.

The main goal of a thesis is of course to provide clear answers to the research questions stated in the thesis. The table below showcases short answers to the research questions, with the more detailed answers provided afterwards.

Research Question	Answer
Is it there a need for One EYE?	Yes
How can One EYE differentiate from competitors?	New design/concept, something market has not seen before
What is the most effective way to launch and promote the product in order to penetrate the market?	Online in order to reach everywhere, selling experiences and not products
Is One EYE as a concept good enough to be moved from paper into development and prototype stage?	Hesitantely, yes

In the table above, the answers are given as shortly as possible. The following paragraphs will open up the answers in order to explain them further.

As proven by the customer reviews showcased in the thesis, there is most surely a need or at the very least, interest in One EYE. While it can be argued whether and simple "yes or no" review system provides a good enough view to actual opinions of consumers, it is a very effective method in provide a compact opinion on the product.

Quite simply, there are no other products in the market that combine safety equipment and camera technology in the way that One EYE does. This brand new concept allows the product to stand out in a field where everyone tries to copy the success of the market leader, GoPro.

Due to the past knowledge of online retailing by the reseacher, the way to spread One EYE is through the internet. This is also the most effective way to reach customers from all over the world already in the beginning, an important factor considering the relatively high predicions for manufacturing the product.

In the end, many signs point to the fact that One EYE is a success waiting to happen. It would be entering an industry that is booming, with a brand new concept, it has gotten good reviews from both consumers and professionals alike and this concept has been in the works for a good while now, providing the researcher plenty of information on the topic. However, there is a huge, glaring weakness in One EYE, which is the lack of versatility. Products such as GoPro thrive on this, to the point where people with no association to action sports are purchasing it, simply due to the fact that you can quite literally film with it anywhere. As it is as a concept at the moment, One EYE is essentially a "one trick pony". Thus, if it does not peak the interest of consumers early on, the concept is essentially guaranteed to fail. Due to this "high risk-high reward" situation of the concept, the answer to the main research question is a very hesitant yes.

6.2 Reliability and Validity

Validity and reliability must be addressed in all studies. The accuracy, dependability, and credibility of the information depend on it. In quantitative research, reliability refers to the ability to replicate the results of a study. In qualitative research, there's no expectation of replication. It is common to see the terms quality, rigor or trustworthiness instead of validity, and dependability, instead of reliability in qualitative studies (Simon, 2011)

The main objective of the thesis was to discover whether One EYE was viable enough as a concept for it to be pushed ahead to development. In addition, the thesis aimed provide additional information on the product, industry and consumers as the additional research questions where related to these topics. Suffice it to say, the thesis has met the main goal of providing an answer to the research question based on the information provided. While additional financial information would have allowed for more concrete analysis of certain parts of the thesis, it does not affect the overall validity of the thesis.

Data for this thesis was collected from both primary (survey, experts) and secondary (articles, books) sources. More detailed primary sources could have been used that would have provided more reader-friendly data. Secondary data mostly provides reliable information on the topics of market analysis and theory. It must be noted that since the researcher has a personal stake in the One EYE concept, some of the conclusions and notes in this thesis can be unintentionally biased. However, this is something that the research has been aware since the beginning of the thesis and has taken every effort in limiting them. Stil, the relatively high quality of both sorts of sources makes this thesis both reliable and valid.

6.3 Summary of the thesis

This thesis evaluated and analysed the product concept One EYE to determine whether the concept had enough things going for it to be pushed to development stage. The idea for this thesis generated from the author, who has been part of the One EYE concept since its humble beginnings. While there had been some positive feedback for the concept before the writing of this thesis began, the author wanted to collect more information about the market, product and consumers to provide a more valid analysis on the concept.

One EYE is entering to action sports market, an industry that is on the uprise. One EYE answers the main need for many consumers in the target audience, combining safety and the ability to record experiences into one affordable package, creating value for money.

This thesis used deductive approach and the research method is qualitative. Data was collected from both primary and secondary sources. This approach and method were best suited to answering the research question. Data was sufficient enough to provide a solid database for this thesis.

Main findings of the thesis indicate that One EYE has generated good reviews from both consumers and experts, generating optimism for the concept especially since it is entering a booming market. However, the concept has significant flaws, especially the lack of versatility, that ultimately make it a “high risk-high reward” concept. Further analysis of available resources, for example financial and properties, for the project should be included in future works related to this concept, as this will hugely limit potential risks in the next phases of development.

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APPENDICES

Appendix 1, sales pitch of One EYE at Dynastart. Available at:

<http://www.dynastart.fi/en/business-idea/one-eye>

One EYE is a ski mask with a camera + a video editing App on your smartphone.

The camera is very small and can be barely noticed. The video you are shooting goes directly to your smartphone through a wireless transmission. This allows you to watch your video immediately afterwards, edit it and share it in your favorite social network. It takes less than a minute! It's easy, simple and fast.

Appendix 2, links to Dynastart databases.

<http://www.dynastart.fi/en/liikeideat> & <http://www.dynastart.fi/fi/liikeideat>

Appendix 3, SWOT Table for the product One EYE

Strengths <ul style="list-style-type: none">• New product• Ease of use/comfortable• Companion app• Knowledge base of developers	Weaknesses <ul style="list-style-type: none">• Very limited versatility• Video less high quality than competitors• Market dominated by a single brand, penetration difficult
Opportunities <ul style="list-style-type: none">• Growing market• Camera tech implemented to other equipment• Additional features to companion app	Threats <ul style="list-style-type: none">• Moderate risk of failure due to limited versatility• Unexpected technological advances

	<ul style="list-style-type: none">• In terms of numbers, not the largest market today
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Appendix 4, 4 P Marketing mix illustrated.

